

DIRECTIVE

JOB TRAINING PARTNERSHIP ACT

Number: D98-19

Date: June 8, 1999

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: STANDARDS FOR PIC OVERSIGHT AND INSTRUCTIONS FOR
SUBSTATE MONITORING

EXECUTIVE SUMMARY:

Purpose:

This directive transmits general standards for Private Industry Council (PIC) oversight responsibilities and provides instructions for the development of substate monitoring plans to implement those standards. The directive changes monitoring frequency and subrecipient notification requirements.

Scope:

The standards in this directive apply to all Job Training Partnership Act (JTPA) subrecipients.

Effective Date:

This directive is effective upon its release.

REFERENCES:

- JTPA Section 103 (a)(b) and (f), and Section 141(g)(3)(C) and (i)
- Title 20 Code of Federal Regulations (CFR) Sections 240(g), 626.5, 627.420(f)(2), 627.423(a), 627.475(c)(d)(e) and (f), and 628.410(b)(3)
- Title 29 CFR Part 34
- California Unemployment Insurance Code (CUIC) Section 15032

STATE-IMPOSED REQUIREMENTS:

This directive contains some state-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive supersedes Directive D95-25, and finalizes Draft Directive DD-14, issued for comment on April 20, 1999. Retain this directive until further notice.

BACKGROUND:

The JTPA Amendments of 1992 increased the emphasis on program accountability. Per JTPA Section 103, the PIC is responsible for policy guidance and oversight of activities conducted by the Service Delivery Area (SDA) as described in the Job Training Plan (JTP). The administrative entities are responsible for ensuring participant eligibility, eliminating program abuses, and preventing the misuse of funds. As required by Title 20 CFR 627.420(f)(2), the SDA "shall maintain an administrative system that ensures that vendors and subrecipients perform in accordance with the terms, conditions, and specifications of their awards."

The Governor must issue instructions on the development of substate monitoring plans that address the scope of monitoring and frequency of reviews and establish general standards for PIC oversight. Title 20 CFR 627.475 authorizes the PICs to exercise independent oversight that cannot be restricted by the agreement between the PIC and the Chief Elected Official (CEO). However, the PIC and the CEO must determine whether oversight will be conducted independently, jointly, or delegated to an appropriate entity.

POLICY AND PROCEDURES:

Definitions:

An on-the-Job training (OJT) broker is a subrecipient, not an SDA, that contracts with an employer to provide OJT training.

A high-risk subrecipient is otherwise responsible but has a history of unsatisfactory performance, is not financially stable, has a management system which does not meet the management standards set forth in the regulations, or has not conformed to terms and conditions of a previously awarded subgrant. The determination of high-risk status occurs at the time the contract is awarded.

Oversight means reviewing, monitoring, and evaluating.

Policy:

A. Standards for PIC Oversight

The PIC shall oversee activities conducted under the JTP for the SDA in accordance with procedures it develops pursuant to Section 103 of the JTPA, its implementing regulations noting the (OJT) monitoring requirements in Section 627.240, Section 15032 of the CUIC, and state policies including the following:

- 1. The SDA administrative entity must conduct onsite monitoring of all its subrecipients at least once each program year.***
- 2. Where SDA administrative entities are parties to contracts that serve multiple SDA jurisdictions, the affected SDAs must coordinate and jointly establish procedures for monitoring multiple SDA contracts.***

The PICs must have policies on program oversight in accordance with the above standards for reviewing, monitoring, and evaluating JTPA-funded activities. The PIC and the SDA certify in the JTP that these written policies are in effect.

B. Instructions for Developing Substate Monitoring Plans

The SDAs must develop plans for the monitoring of subrecipients and OJT employers, and the oversight of non-OJT vendors, in accordance with policies developed by the PIC which are based on the Governor's standards for PIC oversight. In addition to incorporating the PIC's policies, the substate monitoring plans must:

1. Meet the requirements in the act and the regulations regarding monitoring including monitoring of OJT employers as specified in Section 627.240(g)(1).
2. ***Identify procedures for monitoring of all subrecipients that include a process to ensure that each subrecipient is monitored at least once each program year. High-risk subrecipients must be monitored more frequently, at least twice each program year. High-risk subrecipients must be monitored within the first quarter focusing on areas of risk.***
3. ***Provide for a schedule of subrecipient monitoring visits that maximizes the effectiveness of monitoring, which is in the identification and resolution of problems.***
4. ***Require an onsite review of the subrecipient that is both programmatic and fiscal. If the subrecipient's administrative office/fiscal department is separately located at an inaccessible site (i.e., out-of-state or not within a reasonable commute outside of the SDA), the SDA must require that copies of fiscal records of a sufficient nature and sample size are sent to the subrecipient's local office or directly to the SDA for review.***
5. ***Require that OJT employers are monitored onsite at least once during each participant's training period and explain how the monitoring will ensure compliance with the requirements of Title 20 CFR Section 627.240(g)(1).***
6. Require that brokering contractors conduct onsite monitoring of OJT employers and other subcontractors in accordance with JTPA Section 141(g)(3)(c) and Title 20 CFR Section 627.240(g)(2).
7. ***Require that monitoring of subrecipients and OJT agreements follow a standardized review methodology that will result in written reports which record findings, any needed corrective actions, and due dates for the accomplishment of the corrective actions.***
8. ***Require that adverse monitoring findings be transmitted in writing to subrecipients and OJT employers. All reports must be made available for review by state and federal officials.***
9. ***Require systematic follow-up to ensure that needed corrective actions have occurred.***

10. ***Provide for the appropriate retention of monitoring reports and related documentation.***
11. ***Describe how the SDA ensures through monitoring or other methods of oversight that non-OJT vendors perform in accordance with the criteria set forth in Title 20 CFR Section 627.420(f)(2).*** (NOTE: While onsite monitoring of subrecipients and OJT employers is required, monitoring of other vendors is *not* required. However, it is required that SDAs have a system for ensuring that vendors as well as subrecipients perform in accordance with the terms, conditions, and specifications of their contracts/agreements. The required oversight may be satisfied through monitoring or other administrative means.)

The SDAs must have monitoring plans in accordance with PIC policies on program oversight and the instructions above. A description of the monitoring plan is included in the JTP.

ACTION:

Bring this directive to the attention of all affected staff.

INQUIRIES:

Address questions about this directive to your assigned program manager at (916) 654-7799, or to Jean Cole of the Policy Unit at (916) 654-8284.

/S/ BILL BURKE

Assistant Deputy Director